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By CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

25X1A

COUNTRY China

DATE:

SUBJECT Economic Information: Significance to the Soviets
of Manchurian Agricultural Areas

DIST. 30 July 1947

25X1C

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ORIGIN

SUPPLEMENT

25X1X 1. As peace in the Northeast will not enhance Soviet chances of acquiring the produce of the Northeast agricultural provinces, the Soviets are supporting the Chinese Communists with what appears to be positive and effective aid. Control of these provinces would help the Soviets provide food for the parts of Eastern Siberia not now self-sufficient agriculturally, and would supplement the food deficits in those Far Eastern areas now under direct or indirect Soviet control, such as North Korea and (the Northeast provinces of Tungan, Sanchiang, Mutanchiang, and Chientao (Manchukuo provinces)) note:

25X1A indicates that between 1935 - 1938 Sanchiang, Mutanchiang, and 25X1X
25X1X Chientao provinces were surplus production areas. Sanchiang had deficits only in kaoliang and rice but had surpluses in soybeans, wheat, millet, corn, and Irish potatoes. Mutanchiang had deficits in kaoliang, but surpluses not only in all the above-mentioned commodities, but also in corn and rice. Chientao had surpluses in most of those mentioned above as surpluses, but had deficits in kaoliang, wheat, and corn. The production of Tungan province is not known. These areas may now be deficient in production, but as all other statistics given in this report appear to be based on pre-surrender figures, it is probable that such is the case here also.)

25X1A 2. note: Pre-surrender statistics of the Japanese indicate that the potential capacity of the areas concerned is sufficient to warrant, in so far as production is concerned, the conclusions drawn by source. There are no available figures by which the estimates of post-surrender crops may be checked.)

The areas now under Soviet domination (see paragraph 1) require 1,800,000 metric tons of foodstuffs per year. North Korea requires a minimum of 500,000 metric tons. In 1945 the amount of agricultural products sold in the Northeast areas not recovered or controlled by the Nationalists (excluding the areas where fighting is now going on) was 5,000,000 metric tons. Even if this amount is reduced this year to 4,000,000 metric tons because of the delayed planting (from lack of rain), the fighting, and the war demands on men and draft animals, there is still sufficient foodstuffs to provide the 1,800,000 metric tons required by the areas mentioned above. The remaining 2,200,000 metric tons would make it possible to supply the deficiency areas with food. Thus the Soviet Union considers the triangular district which ties in Tsitsihar (123-55, 47-23), Harbin, and Peian (126-34, 48-16), as well as the various hsien of Shuangcheng (126-18, 45-23),

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Yushu (126-34, 44-50), Wuchang (127-09, 44-55), Chaotung (125-32, 45-58), Chaochou (125-03, 45-29) and Fuyu (124-49, 45-11) to be of considerable importance economically.

3. The continuing warfare south to the Hailung (125-48, 42-39) - Tiehling (123-51, 42-18) line will place a serious burden on the Nationalists since most of the area south of this line is low in the production of foodstuffs, but includes the principal cities which consume the greatest amount of food. As unfavorable weather and the civil war have interfered with the normal crops in Nationalist-held territory, a serious food shortage is forecast for this year. The most important food producing areas once held by the Nationalists lie northwest of a line between Hailung and Tiehling and south of a line between Kirin and Changchun. They are now the scene of heavy fighting. Their normal yearly agricultural production was approximately 2,230,000 metric tons, of which 330,000 tons were soya beans. The bulk of the soya bean crop was exported, leaving only 1,900,000 tons as a food supply. However, because of the present fighting in this area, a fifty percent loss can reasonably be expected this year.
4. Prior to the present conflict, the foodstuffs produced in areas now Communist-held amounted to approximately 5,000,000 metric tons, 1,000,000 tons of which were shipped to areas presently controlled by the Nationalists. Now that this movement of foodstuffs southward has been interrupted by the war, the Nationalists have only two possible solutions for the impending food crisis: 1) the importation of foodstuffs from outside the Northeast - a difficult undertaking because of the transportation and handling problems, and 2) the acquisition of the Northeast agricultural provinces - probably the only satisfactory solution.
5. An estimate, based on figures for 1945, of the produce of the Nationalist areas reveals a probable shortage of 1,100,000 tons of food. This estimate may be too high, for not only is there some surplus from 1946, but also some of the important industrial enterprises which formerly demanded foodstuffs are no longer in existence. The estimated figures are as follows: From the total farm production of 3,800,000 metric tons must be deducted 1,000,000 tons of soya beans, which are exported. The remaining food produce falls 1,100,000 tons short of the estimated consumption.
6. An estimate of the produce from the Communist areas, on a 1945 basis, reveals a surplus of 3,700,000 tons from a total production of 5,000,000 tons. Assuming that because of the war only 70% of the 1945 output will be produced, a surplus of 2,500,000 tons is still expected. This surplus, in addition to the crops captured by the Communists in the present offensive, will be exported to Siberia and the areas now under Soviet domination.

25X1A [REDACTED] note: On the basis of current estimates that the Chinese Communists may control all Manchuria it is reasonable to assume that if in control of deficit production areas they will be forced to make up the deficits, and will thus cut down surpluses available for export.)

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